As will be remembered, the Cunliffe Committee recommended that the division of the Bank of England Into an Issue Department and a Banking Department, should be retained; that the old principle by which above a certain fixed limit all notes should be backed by gold, should also be retained, but that if at any time a breach of this rule should be found necessary it should be possible, with the consent of the Treasury, and that Bank rate " should be raised to a rate sufficiently high to secure the earliest possible retirement of the excess issue." Since it was formerly only possible to exceed the limit on the fiduciary issue by a breach of the law, under the Chancellor of the Exchequer's promise to get an indemnity for it from Parliament, and since Treasury tradition insisted on a 10 per cent. Bank rate whenever such a breach was permitted or contemplated, it will be seen that the Cunliffe Committee proposed some considerable modifications in our system and hardly justified Sir Edward's assertion that it " proposed that the Bank should continue to work under the Act of 1844 as heretofore/'

At first sight there seems to be a good deal of difference between Sir Edward's ideal and Lord Cunliffe's, but is not the difference to a great extent superficial ? Whether the Bank be divided into two departments, each presenting a

separate account, or its whole business be regarded as one and stated in one account, seems to be rather a trifling question. And the arguments put forward for their several views by the two champions are not strikingly